

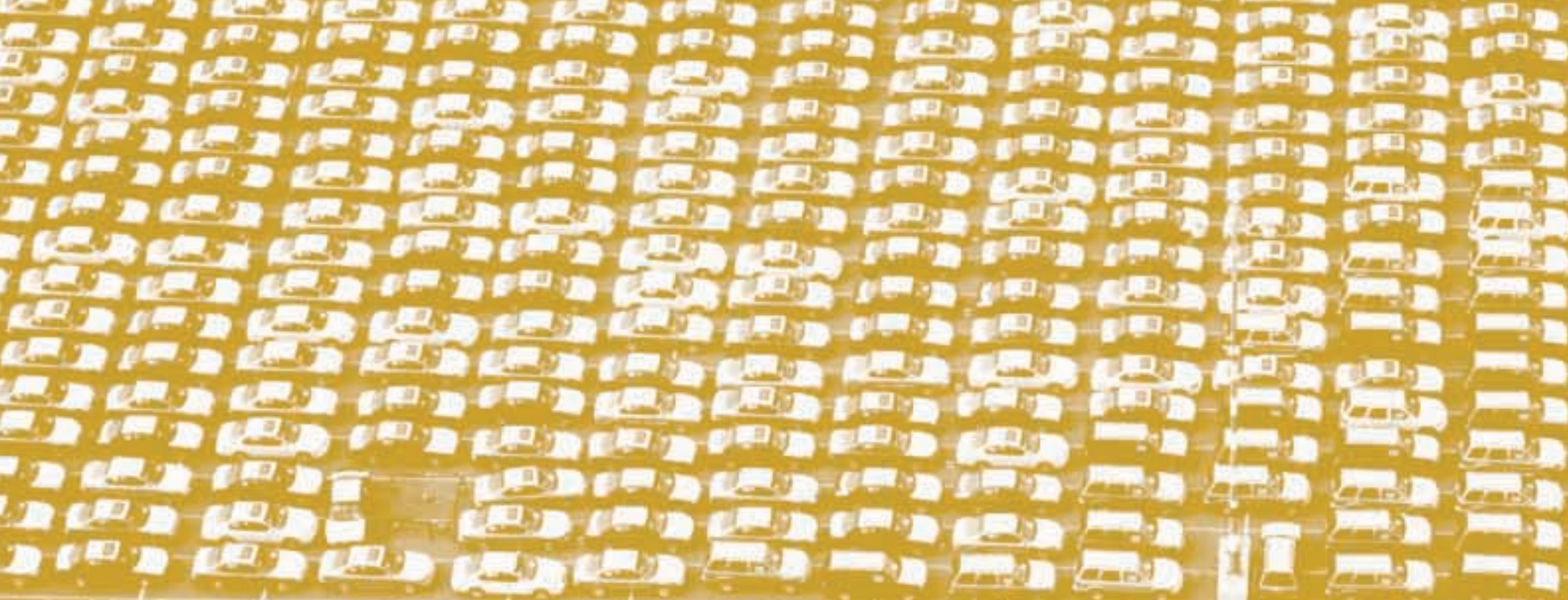
Kentucky Fair & Exposition Center

2001 ANNUAL REPORT
KENTUCKY STATE FAIR BOARD

GOING THE EXTRA MILE

Kentucky International Convention Center





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Dear Friends:



The Kentucky Fair & Exposition Center and the Kentucky International Convention Center are essential to our state's strategic position in the convention industry. Through the positive leadership of our dedicated board members and staff, our facilities' popularity presents exceptional opportunities for potential visitors to experience our excellent hospitality and convenient facilities.

The Kentucky International Convention Center is playing a major role in the efforts being made to create a new life for downtown Louisville. This renovated and expanded building and other new attractions in the area are creating exciting possibilities for Louisville and the Commonwealth of Kentucky.

The Kentucky Fair & Exposition Center continues to be one of the finest facilities of its kind in the country. Each year, millions of people travel to the exposition center to experience a host of world-class events. The facility undoubtedly contributes to the success of the tourism industry in Kentucky.

Great things are happening in Kentucky. On behalf of all Kentuckians, I offer my thanks for your vision and dedication. Our state looks forward to even more success in the years to come.

Sincerely,

Paul E. Patton
Governor

Dear Friends:

This year's annual report embodies the driving force behind the success of the Kentucky State Fair Board. The Kentucky Fair & Exposition Center and the Kentucky International Convention Center continue to maintain a solid business structure, sound strategic planning, and a steady flow of clients. The three events produced by the Fair Board—the National Farm Machinery Show, Kentucky State Fair, and North American International Livestock Exposition—breed energy and excitement throughout the year as well as promote tourism in the Commonwealth of Kentucky.

As you cruise through this report, our progress will be evident in the increases in exhibit hall occupancy, the significant economic impact on the community, and strong supporting figures in all aspects of our business. Paving the way for continued growth, new projects on the horizon include a new hotel, proposed expansion, and aesthetically pleasing additions to the facilities. These projects not only enhance client and consumer experiences but position the Kentucky Fair & Exposition Center and Kentucky International Convention Center as top competitors in the industry.

We can attribute much of our success to the support of the Kentucky General Assembly and the leadership in Frankfort. The state's commitment to the progress and promotion of both the Kentucky Fair & Exposition Center and the Kentucky International Convention Center contributes to the overall advancement of Kentucky's tourism industry and economy. We thank all of those who go the extra mile to fuel our success and look toward fundamental growth for the future.



Mary Anne Cronan
Chairman



Harold Workman
President and CEO

Kentucky State Fair Board

Andrew "Skipper" Martin
Governor's
Representative



Bruce Harper
Vice Chairman,
Harrodsburg



Ronald Carmicle
Louisville



Anna Jane Cave
Glendale



Gib Gosser
Somerset



Lanny Dale Greer
Manchester



Charles Hamilton
Shepherdsville



OUR BUSINESS

IN 1902, WHEN THE KENTUCKY

General Assembly passed a bill stating the provision of "an annual state fair for the exhibition of agricultural, mechanical, horticultural, dairy, forestry, poultry, and livestock products be, and the same is hereby created to be known as the Kentucky State Fair," a governing body was needed to implement and maintain such an endeavor. The Kentucky State Board of Agriculture took on the task from 1906 until 1938 when the decision was made to create a Kentucky State Fair Board.

The board, comprised of governor appointments and elected members of university administrations and pertinent associations, united prominent community leaders from around the state. Exceeding expectations, the Kentucky State Fair Board not only proved successful but continues to thrive as an agency of the Kentucky Tourism Development Cabinet.

Since 1950, when the Fair Board began construction on one of the greatest and largest exposition facilities of its kind in the world—the

Kentucky Fair & Exposition Center—the Kentucky State Fair Board has been at the forefront of Kentucky tourism development. Today, the Kentucky State Fair Board operates two of the largest facilities in the state—the Kentucky Fair & Exposition Center and the Kentucky International Convention Center. Under the management of the Kentucky State Fair Board, these facilities have generated a net surplus every year since the 1986-1987 fiscal year.



THE KENTUCKY STATE FAIR

Board shall promote the progress of the Commonwealth of Kentucky and stimulate public interest in the advantages and development of the Commonwealth by providing the Kentucky Fair & Exposition Center and the



Kentucky International Convention Center for exhibitions, conventions, trade shows, public gatherings, cultural activities, and other functions. In managing these facilities, the Kentucky State Fair Board resolves to advance Kentucky's tourism industry and economy while serving the entertainment, cultural and educational interests of the public.

OUR MISSION

Mary Kate Kordes
Bremen



Rita Phillips
Louisville



Thomas J. Schifano
Louisville



Billy Ray Smith
Commissioner, KY Dept.
of Agriculture



Dr. Scott Smith
Dean, UK College of
Agriculture



William B. Tolle
Maysville



Joe Wright
Harned



Kentucky Fair & Exposition Center Construction Zone

COMPLETED PROJECTS

- Restored the masonry in Freedom Hall (east and north walls)
- Relocated and renovated the new ticket office
- Upgraded the electrical in the West Wing
- Refurbished the VIP Lounge
- Replaced the trailer seating in Freedom Hall
- Refurbished all of the seats in Freedom Hall
- Replaced two 750 ton cooling towers
- Installed flooring for arena football



In the Passing Lane

Arena football came to town this year and made Freedom Hall the new home of the Louisville Fire. Proving its extraordinary versatility, Freedom Hall was fitted for turf and goalposts in preparation for tackles and touchdowns.

REAR VIEW

Kentucky International Convention Center Construction Zone

COMPLETED PROJECTS

- Landscaped around the exterior of the center and planted additional Lace Bark Elm trees
- Installed new state-of-the-art admission control equipment for the two parking garages
- Acquired additional ballroom chairs, staging, and a dance floor

In the Fast Lane

The convention center hosted the top 500 entrepreneurs in the country for the 19th Annual Inc. 500 Conference. The



premier event celebrated the entrepreneurial spirit and honored the

accomplishments of the most successful, privately owned U.S. companies as ranked by *Inc. Magazine*.

Signs

The National Quartet Convention, the eleventh largest area convention and trade show, announced an extension to their contract with the Kentucky Fair & Exposition Center. The National Quartet Convention, Christian entertainment's largest gospel music gathering, signed a five-year contract to lengthen their stay in Louisville. The benefits in retaining the business of this long-time client are represented by



the over 80,000 attendees and \$11 million generated in economic impact.

Keep on Truckin'

The wheels keep on turning and the Mid-America Trucking Show keeps on trucking. This year, the largest trucking show in North America celebrated 25 years at the Kentucky

Fair & Exposition Center.

Drawing over 70,000 visitors who leave behind \$14 million in economic impact, the show consistently proves its position as the third largest area convention and trade show.



Changing Lanes

For the first time in the Kentucky State Fair Board's 63-year history, Mary Anne Cronan became the first woman to serve as chair of the board. A member of the Kentucky State Fair Board since 1997, Cronan was elected vice chair in 1999 before being unanimously voted in to position as chair.



Along for the Ride

Expanding its international appeal, the Kentucky International Convention Center welcomed two new



Kentucky World Trade Center

tenants in 2001. The Louisville office of the Kentucky World Trade Center and the Office for International & Cultural Affairs share nearly 5,000 square feet of space on the corner of Jefferson and Second Streets.

Borderlines

Truly serving as an international meeting place, the convention center



welcomed foreign and domestic dignitaries for the Governor's Conference on Latin America. Hosted by Governor Paul Patton, the Kentucky Cabinet for

Economic Development, and the Kentucky Chamber of Commerce, the landmark event addressed Kentucky academic and agricultural opportunities in Latin America.

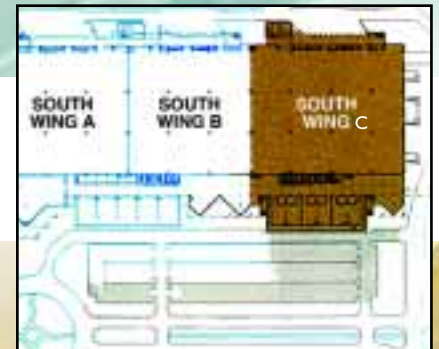
Kentucky State Fair Board Construction Zone: CONTINUING & FUTURE PROJECTS

- Installing new retention basins and a 60 foot storm sewer
- Reroofing the West Hall
- Reroofing a cooling tower
- Clearstory reroofing the West Wing

Southbound

Development of architectural designs is under way for a proposed expansion of the exposition center. South Wing C would provide 166,500 additional square feet of class "A" column-free space and 57,000 square feet of meeting and conference space. The project also includes renovation of the

East Wing and East Hall, adding 265,000 square feet of class "A" exhibit space. The expansion would yield a potential economic gain of \$200 million annually as well as position the facility as the third largest among competitors in the region and the sixth largest exposition center in the nation.



DRIVING AHEAD

Rest Area Ahead

Conventioneers, clients, and consumers of the exposition center will soon be able to rest for the night right outside Gate 4. Travelers visiting the facility will have the opportunity to take advantage of a 209-room Hilton Garden Inn and Conference Center. The hotel will offer guests a full service restaurant, conference center,

swimming pool, spa, and exercise facility. In addition to the hotel, the project also includes construction on a new Gate 4 entrance which will line up with Central Avenue.

Historical Site Next Exit

Visitors to the Kentucky International Convention Center will soon be able to walk down memory lane, literally, when they visit the

facility. The Kentuckiana Heritage Consortium has chosen a walkway connecting two ends of the facility as the proposed home for a Louisville heritage exhibit. The project will transform the corridor into a colorful, dimensional look into some of Louisville's richest historical landmarks.





MILE MARKERS

National Farm Machinery Show
& Championship Tractor Pull

During the month of February, thousands of agribusiness professionals made their annual journey across the nation to the Kentucky Fair & Exposition Center for the National Farm Machinery Show. Proven to be the largest indoor farm show in America, it drew 286,872 visitors in 2001 – the fifth highest total in the show's 36-year history.

The vast number of exhibitors on hand during the National Farm Machinery



Show is truly what allows this show to stand out as elite among a sea of competitors. With 761

exhibitors filling the facility, visitors were once again able to roam through aisle after aisle of name brand products and services in



climate-controlled comfort. The show treated them to the most comprehensive display of farming equipment—with hands-on comparisons and demonstrations—all available in a single location. The \$2,255,105 in total revenue received from those

contracts provided a slight increase in profit over last year's final figure.

Sponsorship of the National Farm Machinery Show harvested a healthy \$115,000 in revenue as several companies stepped up again to sponsor free show guides, seminars, exhibitor lounges, and "You Are Here" maps. Syngenta, formerly known as Zeneca Ag Products, returned as the sponsor of the continually sold-out Championship Tractor Pull.

The long-time sponsor arranged for a special guest appearance



by their product spokesperson, Rulon Gardner, the Olympic Greco-Roman Wrestling Gold



Medallist, while tractor pull fans purchased 74,524 tickets for \$1,369,041 in total sales.



MILE MARKERS

Kentucky State Fair

THE KENTUCKY STATE FAIR

—the unique, family-friendly festival that has long celebrated local and statewide heritage—gives far more to the Commonwealth than merely blue ribbon competition, special exhibits and carnival rides. It is a showcase for Kentucky's finest products, companies, entertainment, and, most importantly, people.

In 2001, 653,950 of those people visited the Kentucky



State Fair, helping to set a new attendance milestone. During the first weekend, the Fair welcomed its 25 millionth visitor since making the Kentucky Fair & Exposition Center its permanent home back in 1956.

Admittedly, the thousands of people coming to the Kentucky State Fair want to be entertained. Although an overwhelming amount of activities at the Fair are free, the allure of premier concert performers and the prestige of the World's Championship Horse Show continually bring in top dollar sales. This year's concert-goers purchased 42,008 tickets for a total of



\$1,123,275 in sales, and the horse show experienced \$431,357 in sales as equine enthusiasts bought 33,447 tickets.

Similarly, competitive entries had another successful year as over 8,400*

exhibitors and their accompanying 48,800* entries made their way to the 2001 Kentucky State Fair. General entries accounted for a total of 31,637, livestock entries reached a combined 10,552 and horse show entries were registered at 6,609.

The popular East Wing exhibit area experienced

growth in 2001 as its 386 exhibitors brought in revenue of \$714,480. This was an increase of 11 exhibitors and \$51,875 over the previous year. Additionally, the \$446,845 raised through sponsorship was a 13% increase over last year's revenue. A generous \$102,062 grant from the U.S. Environmental Protection Agency was also awarded for the production of this year's educational exhibit, 2001: A Water Odyssey.



A new media tracking service implemented earlier this year assigned dollar values to the hundreds of television and newspaper mentions received by the Kentucky State Fair. The conservative total of this free coverage was nearly \$1 million in total media value.

** Totals do not include the 4-H Horse Show*





MILE MARKERS

North American International
Livestock Exposition



WHILE THE NORTH AMERICAN

International Livestock Exposition (NAILE) has quickly become recognized as the



world's largest purebred livestock show, it has also developed the reputation as one of the most influential. Breeders and exhibitors from across the globe identify NAILE as one of the livestock industry's leading sources in the display and sale of genetic excellence. That may be a fair indication of why approximately 205,000 people were drawn to the show in 2001.

Livestock remains the prominent focus, but technology is certainly prevalent in the production of the show. The recent

acquisition of the ShoWorks computer system helped streamline the data entry process and report capabilities that are necessary for efficiently producing a globally scaled exposition. Electronic catalogs, entry forms and premium lists—all standard download materials from the show's web site—provide exhibitors and visitors with the tools they needed right at their fingertips.



Furthermore, the made-for-television video field trip of NAILE, viewed through KET StarChannels, helped explain the history and importance of livestock competitions to

students enrolled in the University of Kentucky College of Agriculture Distance Learning Program.

Ticket sales for the accompanying North American Championship

Rodeo, the invitational finals for the Pro Rodeo Cowboys Association, have continued

to flourish as well. The rodeo's championship cowboy action attracted 18,983 ticket sales for a total of \$327,521.

After two successful weeks of competitions and sales on the show floor, NAILE recorded another productive season. The number of entries from nearly every category of

animal continued to climb, drawing a total of 20,251 entries into competition. With the steadily increasing trend of exhibitor interest in NAILE and the spreading



awareness of the show's global impact on the industry, the show has further secured its growth in the future.

** All figures used in conjunction with NAILE are estimated totals for 2001.*

COMMUNICATION REMAINS

a key factor in conveying image and information. The Kentucky State Fair Board's success in communicating these factors can be seen in the size and scope of the media and public relations campaigns implemented in 2001. The results show significant coverage and widespread public interest in the events and facilities operated by the Fair Board.

With an audience stretching for miles across the state of Kentucky, advertising placements and online presence remain key in stimulating interest among communities in the region. Advertising placements totaled 275 in print media

result, the media covered story after story on Kentucky State Fair Board facilities and events yielding 5,060 impressions with a value of over \$5.5 million.

Online communication continues to grow and produce high dividends. Visitors can access everything from entry catalogs,

applications, and forms to schedules, directions, and events. A total of nearly 500,000 people went online to the five web sites owned by the Fair Board and over 3,000 electronic inquiries for information were received in 2001.

Total Production of Print Material for the Year: 770,290 pieces

Kentucky Fair & Exposition Center	6%
Kentucky International Convention Center.....	3%
Kentucky State Fair	80%
National Farm Machinery Show	10%
North American Int'l Livestock Expo	1%

Internet Inquiry Totals for the Year*

Kentucky Fair & Exposition Center	250
Kentucky International Convention Center	90
Kentucky State Fair	370
National Farm Machinery Show	1,550
North American Int'l Livestock Expo	350
TOTAL	3,320

** Figures for November and December are estimated.*

Print Advertising Placements & Circulation

KFEC/KICC Facility Advertisements	
Placements	104
Circulation	2,132,921
Kentucky State Fair	
Placements	117
Circulation	16,191,300
National Farm Machinery Show	
Placements	21
Circulation	2,936,519
NAILE	
Placements	33
Circulation	1,374,500

INFORMATION HIGHWAY

alone with an astounding circulation of over 22 million. Complimenting advertising efforts, the Fair Board produced 770,290 pieces of promotional print material, which were distributed across the region. As a

Media Impressions*

Broadcast Media Impressions.....	3,310
Advertising Equivalency in Dollars.....	\$3,704,200
<i>(Figures above do not include numbers for January 2001)</i>	
Print Media Impressions.....	1,750
Advertising Equivalency in Dollars	\$2,129,774

** Figures for November and December are estimated.*

Web Site Visitors*

Kentucky Fair & Exposition Center	219,201
Kentucky International Convention Center	43,594
National Farm Machinery Show	58,149
Kentucky State Fair	121,953
North American Int'l Livestock Exposition	53,838
TOTAL	496,735

** Figures for November and December are estimated*

Kentucky Fair & Exposition Center

EXHIBIT HALL OCCUPANCY

(Event Periods**)

January	195
February	332
March	372
April	202
May	93
June	155
July	217
August	603
September	313
October	369
November	717*
December	50*
Total	3,618

* Estimated

** Event periods equal the number of times space is utilized during the month

Kentucky International Convention Center

EXHIBIT HALL OCCUPANCY

(Event Periods**)

January	115
February	135
March	197
April	74
May	114
June	212
July	50
August	221
September	116
October	262
November	131*
December	30*
Total	1,657

* Estimated

** Event periods equal the number of times space is utilized during the month

IN A HIGHLY COMPETITIVE

industry, the Kentucky Fair & Exposition Center and Kentucky International Convention Center remain strong in their positions as top trade show and convention facilities. The Kentucky State Fair Board facilities host 16 of the top 25 largest area trade shows and conventions.

Maintaining its position as one of the top ten largest

exposition centers in the country, the Kentucky Fair & Exposition Center surpasses such markets as Atlanta, Cleveland, and Dallas in square feet of space. Consequently, shows around the country are discovering the exposition center's benefits. New business comprised 26% of the total number of events for 2001—leaving a solid 74% of business coming back year after year. Exhibit hall occupancy showed an

increase of 10%, further demonstrating the facility's successful progress in the industry.

The state-of-the-art beauty and functionality of the Kentucky International Convention Center generated rapid growth for the facility. New bookings contributed to 44% of the total number of events while a growing 56% of events chose the facility for a long-term home. A 52% increase in exhibit hall occupancy reflects the most

astounding growth for the convention center. This increase accompanied with a 33% increase in attendance points toward a promising and progressive future for the facility.

MARKETING
MOMENTUM

Kentucky Fair & Exposition Center NEW/REPEAT BUSINESS

91 Repeat Events
(74% of total business)

32 New Events
(26% of total business)

123 Total Major Events

Kentucky International Convention Center NEW/REPEAT BUSINESS

61 Repeat Events
(56% of total business)

48 New Events
(44% of total business)

109 Total Major Events

THE KENTUCKY STATE FAIR

Board's high performance in its business yields significant financial benefits for the state of Kentucky. The agency's success in attracting a steady flow of large-scale, quality events brings tourism to the state and generates \$427 million dollars in economic activity and tax revenues. Furthermore, the events require a tremendous amount of work and workers, therefore, providing a wide variety of employment opportunities to 8,700 members of the community.

"We find that the number of events, nonresident attendees, and exhibitors continues to grow at the Kentucky Fair & Exposition Center and Kentucky International Convention Center in Louisville," states Paul Coomes, Ph.D. in the 2001 Kentucky State Fair Board Economic Impact Study produced by the University of Louisville School of Economics and Public Affairs. "The events have a great economic impact on the Louisville and other regional economies in Kentucky, and contribute tens of millions of new tax dollars annually to state and local governments."

Economic Impact for 2001

Total Economic Activity	\$427 million	11% increase
Employment Level	8,700 jobs locally	11% increase
Employment Payroll	\$140 million	10% increase
State and Local Tax Revenues	\$30 million*	13% increase

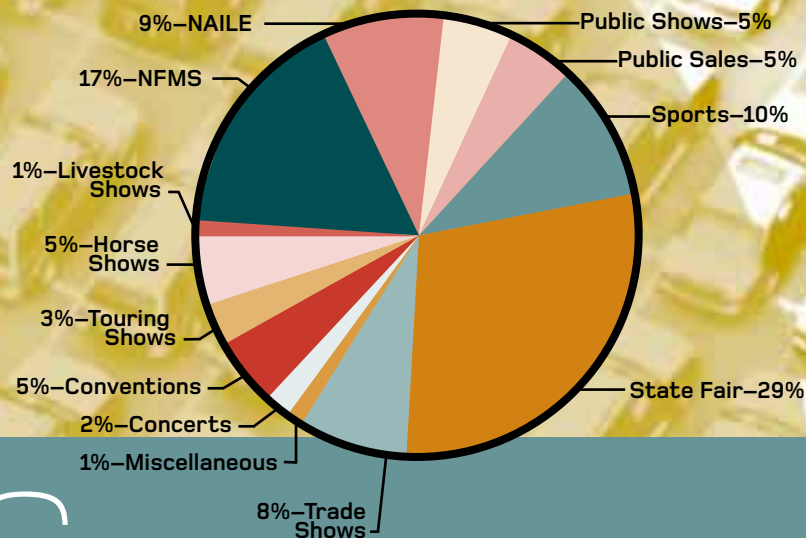
** Over 95 percent of these tax dollars are believed to be generated by nonresident attendees and exhibitors. That is, they represent new tax dollars, not simply a collection from Kentucky residents.*

Source: 2001 Kentucky State Fair Board Economic Impact Survey produced by Paul Coomes, Ph.D., University of Louisville School of Economics and Public Affairs

HIGH PERFORMANCE

TRAFFIC VOLUME

KFEC Sources of Event Income



Kentucky Fair & Exposition Center

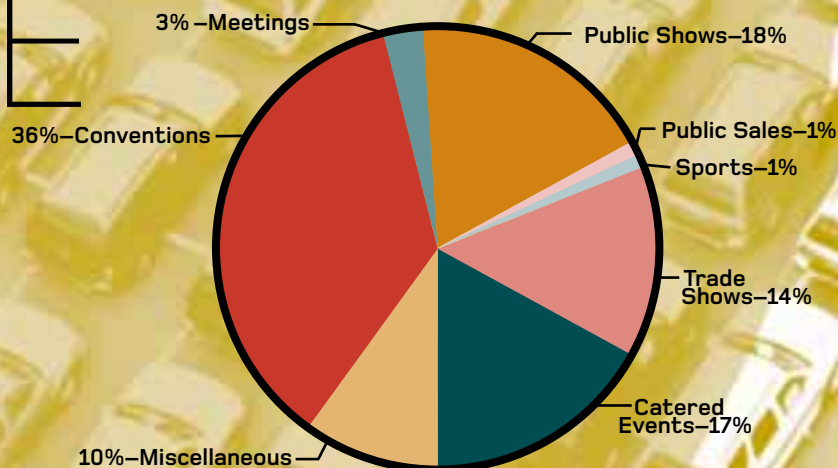
MONTHLY ATTENDANCE**

January	175,571
February	524,656
March	312,603
April	200,775
May	130,376
June	77,881
July	108,645
August	725,770
September	150,460
October	149,494
November	248,056*
December	222,904*

Total 3,027,191

* Estimated
** Does not include Six Flags Kentucky Kingdom attendance

KICC Sources of Event Income



Kentucky International Convention Center

MONTHLY ATTENDANCE

January	38,111
February	48,577
March	59,590
April	15,967
May	46,551
June	24,643
July	10,024
August	26,435
September	9,691
October	36,025
November	37,300*
December	30,710*

Total 383,624

* Estimated

KENTUCKY FAIR AND EXPOSITION CENTER			
REVENUES:	FY 1998-99	FY 1999-00	FY 2000-01
Event Income	22,250,000	24,708,000	25,422,000
Other Income	733,000	774,000	816,000
State Appropriation for NAILE	407,000	407,000	407,000
TOTAL	23,390,000	25,889,000	26,645,000
EXPENDITURES:			
Direct Event Costs	12,129,000	12,230,000	13,400,000
Administrative Costs	1,660,000	1,774,000	1,834,000
Maintenance Costs	6,608,000	6,861,000	7,247,000
TOTAL	20,397,000	20,865,000	22,481,000
NET INCOME OR (LOSS)	2,993,000	5,024,000	4,164,000

FUEL EFFICIENCY

KENTUCKY INTERNATIONAL CONVENTION CENTER			
REVENUES:	FY 1998-99	FY 1999-00	FY 2000-01
Event Income	1,028,000	1,552,000	2,236,000
Parking Garage Income	1,803,000	1,700,000	1,886,000
Other Income	154,000	211,000	166,000
TOTAL	2,985,000	3,463,000	4,288,000
EXPENDITURES:			
Direct Event Costs	307,000	341,000	344,000
Administrative Costs	794,000	935,000	938,000
Maintenance Costs	2,113,000	2,434,000	2,547,000
TOTAL	3,214,000	3,710,000	3,829,000
NET INCOME OR (LOSS)	(229,000)	(247,000)	459,000

(The source of data is the State Fair Board's internal accounting records through the end of its fiscal year on June 30th, and operating results reflect revenues and expenditures before accounting deductions for amortization and depreciation.)

FUEL EFFICIENCY

KENTUCKY STATE FAIR BOARD			
REVENUES:	FY 1998-99	FY 1999-00	FY 2000-01
Direct Event Income	25,081,000	27,959,000	29,544,000
Rental Income from Long-Term Lessees	2,959,000	3,194,000	3,083,000
Other Operating Income	745,000	839,000	826,000
State Appropriation for NAILE	407,000	407,000	407,000
TOTAL	29,192,000	32,399,000	33,860,000
EXPENDITURES:			
Kentucky Fair & Exposition Center	20,397,000	20,865,000	22,481,000
Kentucky International Convention Center	3,214,000	3,710,000	3,829,000
General Administrative and Sales Expenses	4,090,000	4,330,000	4,065,000
Debt Service	371,000	371,000	371,000
TOTAL	28,072,000	29,276,000	30,746,000
NET INCOME OR (LOSS)	1,120,000	3,123,000	3,114,000

(The source of data is the State Fair Board's internal accounting records through the end of its fiscal year on June 30th, and operating results reflect revenues and expenditures before accounting deductions for amortization and depreciation.)



Kentucky Fair & Exposition Center

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www.kyconvention.org



Kentucky
It's that friendly.